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EDE
Feb '68A RATIONALE FOR GENERAL
EARLY RETIREMENT IN CIA

Retirement policy, like other management policies, involves compromise. In this case it is compromise between management's desire to retain flexibility in using its work force to maintain operational effectiveness and management's responsibility not to act arbitrarily to the detriment of the loyal employee in the later years of his career. Ultimately, however, ability to guarantee the continued achievement of the Agency's organizational purpose must be decisive in setting CIA's retirement policy.

That organizational purpose was outlined more than a score of years ago: to provide to the highest level of Government the best possible information and judgments on matters affecting the national security.

Four Presidents and the passage of time have confirmed that mission and its importance. Four Presidents have augmented the tasks we must perform to meet our responsibilities. A troubled world has multiplied both our work load and the difficulties of getting the job done. The days ahead fore-shadow greater not lighter burdens. It is essential therefore that all possible steps be taken to assure our ability to measure up to this challenge.

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The most important such step is the maintenance of a vigorous, highly mobile, well-trained, dedicated work force responsive to first-rate leadership. Retirement at an age earlier than is generally accepted practice in industry, in the academic community, and elsewhere in Government can contribute importantly to the realization of this objective.

That the Agency plays a special role in Government and consequently has special needs for which special authorization may be necessary has been recognized from the outset. The Agency's organic legislation, the National Security Act of 1947, specifically granted the Director of Central Intelligence broad powers in the administration of the Agency's personnel policy. Section 102(c) gives the Director authority to terminate the employment of any officer or employee of the Agency whenever he shall deem such termination necessary or advisable in the interests of the United States.

More recently, in 1964, the Congress recognized the Agency's need for special retirement legislation when it passed the CIA Retirement Act for Certain Employees. That Act, among other things, and without reducing the Director's authority under the earlier Act, specifically provides for the compulsory retirement of participants in the system at age 60. It further gives the Director discretionary powers to place selected individuals in retired status at age 50, or in some cases even younger.

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For nearly ten years, it has been Agency policy to seek the retirement of its employees at age 60 unless the needs of the Agency or undue hardship to the individual had indicated otherwise. During this time we have had opportunity to study the effects, good and bad, of this policy on our employees and on our operations. Actions and trends in Government and industry have also been the subject of study.

These considerations have been weighed carefully in our review of the present policy to ascertain what policy changes might best serve the interests of the Agency and its employees.

As a result of our study, we have confirmed certain principles and recommended certain others which should form the basis for the Agency's retirement policy:

- o A single retirement policy should be used throughout the Agency. This is consistent with long-range Administration objectives. It is conducive to orderly development and management of the careers of our personnel. It dampens tendencies to create elite groups which invariably relegate some individuals to second-class status.
- o The needs of the largest professional group of employees should set the basic limit on tenure. The Clandestine Services and related

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support activities constitute by far the largest professional group. They also have the most urgent need for an early retirement policy and must be accommodated to insure the Agency's future. The needs of others must therefore be subordinated where a conflict exists. So too must the needs of the clerical staff be subordinated to those of the professionals, for Agency performance depends in the first instance upon the professionals for whose support the indispensable corps of clericals is provided.

- o The granting of exceptions from the policy to accommodate Agency differing management needs as well as to relieve undue hardships on individuals should continue to be an integral part of retirement policy administration.
- o Mindful of retirement options left to employees elsewhere in Government, the Agency should compensate an employee who is disadvantaged by unique provisions of the Agency's retirement policy.